

MORRIS COUNTY UNIFIED SCHOOL DISTRICT NO. 417

Council Grove, Kansas

REGULATORY BASIS FINANCIAL STATEMENT
AND
INDEPENDENT AUDITORS' REPORT

Year Ended June 30, 2015

ALDRICH AND COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS
COUNCIL GROVE, KANSAS

Morris County Unified School District No. 417
Council Grove, Kansas

REGULATORY BASIS FINANCIAL STATEMENT
For the Fiscal Year Ended June 30, 2015
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Morris County Unified School District No. 417
Council Grove, Kansas

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ALDRICH & COMPANY, LLC

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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

Board of Education
Morris County Unified School District No. 417
Council Grove, KS 66846

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Morris County Unified School District No. 417, Council Grove, Kansas, as of and for the year ended June 30, 2015 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit and Accounting Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on the U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, USD 417 prepared this financial statement to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on the U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Morris County Unified School District No. 417, Council Grove, Kansas, as of June 30, 2015, or the changes in its financial position or cash flows for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Morris County Unified School District No. 417, Council Grove, Kansas, as of June 30, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, agency funds summary of receipts and disbursements, and district activity funds schedule of receipts and expenditures (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. As part of this presentation, certain prior year comparative information has been presented for a comparative analysis and is not a part of the basic financial statement. This comparative information has been derived from the District's June 30, 2014 financial statement and, in our report dated January 6, 2015, we expressed an unmodified opinion on the financial statement and respective schedules, taken as a whole, on the regulatory basis of accounting. The June 30, 2014 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: <http://da.ks.gov/ar/muniserv/>. All supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare June 30, 2015 and 2014 basic financial statement. The June 30, 2015 and 2014 information has been subjected to the auditing procedures applied in the audit of the June 30, 2015 and 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the June 30, 2015 and 2014 information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Aldrich Company, LLC

ALDRICH AND COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS
December 17, 2015

Morris County Unified School District No. 417
Council Grove, Kansas

Summary of Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Fiscal Year Ended June 30, 2015

	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Fund	\$ 7,708	\$ 0	\$ 5,195,021	\$ 5,202,729	\$ 0	\$ 81,099	\$ 81,099
Supplemental General - L.O. B.	136,042	0	1,684,970	1,782,072	38,940	26,625	65,565
Special Purpose Funds							
At Risk Four Year Old	22,447	0	62,993	64,463	20,977		20,977
At Risk (K-12)	15,698	0	616,751	616,752	15,697		15,697
Bilingual Education	12,341	0	27,000	27,188	12,153		12,153
Vocational Education	56,930	0	179,322	173,991	62,261		62,261
Special Education	340,507	0	819,344	819,377	340,474		340,474
Food Service	123,646	0	398,108	412,241	109,513		109,513
Driver Training	27,332	0	9,537	8,824	28,045		28,045
Capital Outlay	640,393	4,078	465,627	265,538	844,560	217,870	1,062,430
Summer School	18,840	0	0	18,840	0		0
Professional Development	113,538	0	15	6,755	106,798		106,798
Extraordinary School Program	30,119	0	24,217	22,840	31,496		31,496
KPERS Retirement	0	0	439,493	439,493	0		0
Gifts and Grants	6,918	0	188,385	88,942	106,361		106,361
Textbook Rental	108,627	0	30,006	28,352	110,281		110,281
Contingency Reserve	330,285	0	0	0	330,285		330,285
Title I	0	0	128,250	128,250	0		0
Title IIA - Improving Teacher Quality	0	0	35,849	35,849	0		0
Rural Education	0	0	0	0	0		0
Redemption Fund	926,448	0	1,483	0	927,931		927,931
District Activity Funds	35,838	0	117,162	119,391	33,609		33,609
Bond and Interest Fund							
Bond & Interest	492,984	0	623,609	620,668	495,925		495,925
Capital Project Fund							
School Improvement Fund	418	0	0	0	418		418
Trust Funds							
Private Purpose Trust Funds	13,416	0	403	3,350	10,469	0	10,469
Total Reporting Entity - (Excluding Agency Funds)	<u>\$ 3,460,475</u>	<u>\$ 4,078</u>	<u>\$ 11,047,545</u>	<u>\$ 10,885,905</u>	<u>\$ 3,626,193</u>	<u>\$ 325,594</u>	<u>\$ 3,951,787</u>

The accompanying notes are an integral part of this statement.

Morris County Unified School District No. 417
Council Grove, Kansas

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Fiscal Year Ended June 30, 2015

Composition of Cash:

Petty Cash on Hand	\$ 200
U.S.D. 417 Checking & Savings Accounts:	
Farmers & Drovers Bank, Council Grove, Kansas	1,449,221
Farmers & Drovers Bank School Imp	940,690
Farmers State Bank, Dwight, Kansas	97,998
Alta Vista State Bank, Alta Vista, Kansas	129,056
Emprise Bank, Council Grove, Kansas	19,596
Activity Funds Checking Accounts:	
Farmers & Drovers Bank, Council Grove, Kansas	72,980
Alta Vista State Bank, Alta Vista, Kansas	13,360
Certificates of Deposit:	
Farmers & Drovers Bank, Council Grove, Kansas	850,509
Alta Vista State Bank, Alta Vista, Kansas	<u>430,000</u>
Total Cash	4,003,610
Less Agency Funds per Schedule 3	<u>(51,823)</u>
Total Reporting Entity	<u>\$ 3,951,787</u>

The accompanying notes are an integral part of this statement.

Morris County Unified School District No. 417
Council Grove, Kansas

NOTES TO THE FINANCIAL STATEMENT

June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Unified School District No. 417 was organized in accordance with State Statutes to provide a system of public education to elementary through high school students who reside within the designated District areas. USD No. 417 is a municipal corporation governed by an elected seven-member board of education. The District's financial statement does not include any related municipal entities.

Regulatory Basis Fund Types

The accounts of the District are organized and operated on the basis of funds, which are used to record the District's financial transactions. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources are recorded together with all related expenditures. A fund is used to segregate specific activities and for the purpose of attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the District.

General Funds - the chief operating fund. Used to account for all financial resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenue sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Capital Project Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (student organization accounts, etc.)

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in accordance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the district to use the regulatory basis of accounting.

Morris County Unified School District No. 417
Council Grove, Kansas

NOTES TO THE FINANCIAL STATEMENT
June 30, 2015

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding eighteen month period on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time.

After the listed procedures have been followed, the Kansas State Board of Education computes what the maximum legal general fund budget of operating expenses can be. For the fiscal year ended June 30, 2015, the State calculation of the legal maximum general fund budget was \$5,120,429 and the Supplemental General Fund Budget \$1,782,072. In accordance with Kansas statutes, a district will be penalized state aid equal to the amount expended in excess of the computed statutory limitation plus any qualifying budget credits. The District was within its maximum legal general fund budget and its supplemental general fund budget authority for the fiscal year ended June 30, 2015.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust and agency funds, and the following special purpose funds: Textbook Rental, Contingency Reserve, Federal & State Grant Funds, School Improvement Fund, Redemption Fund and District Activity Funds.

Spending in funds, which are not subject to the legal annual operating budget requirement, is controlled by federal regulations, other statutes, or by use of internal spending limits established by the governing body.

Property Tax Revenue

Property taxes are levied by the Kansas Counties in which the School District resides on November 1 and are payable in two installments on December 20 and May 10 of the subsequent year. The Counties collect and distribute in the succeeding year all property taxes collected for the District. The Counties collect and distribute in the succeeding year all property taxes collected for the District.

Use of Estimates

The preparation of financial statements in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of cash receipts, expenditures, and cash and unencumbered cash balances at the date of the financial statement. Accordingly, actual results could differ from those estimates.

Morris County Unified School District No. 417
Council Grove, Kansas

NOTES TO THE FINANCIAL STATEMENT

June 30, 2015

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONT)

Compliance with Finance-Related Legal and Contractual Obligations

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports, Department of Education, and interpretation by the County Attorney and legal representatives of the municipality.

The District did not obtain a surety bond as required by K.S.A. 60-1111 on a contract exceeding \$100,000 for improvements to a district building.

Management is not aware of any other statutory violations for the period covered by this audit

NOTE 3 - DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories that may be used by the Government. The statute requires banks eligible to hold the Government's funds have a main or branch bank in the county in which the Government is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate or return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Government's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Government has no investment policy that would further limit its investment choices.

Concentration of credit risk -- State statutes place no limit on the amount the Government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits

Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may not be returned to it. State statutes require the Government's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. USD 417 has not designated peak periods.

At June 30, 2015, USD 417's carrying amount of deposits was \$4,003,410 and the bank balance was \$4,601,644. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$706,040 was covered by federal depository insurance and \$3,895,604 was collateralized with securities held by the pledging financial institutions' agents in USD 417's name. All deposits were legally secured at June 30, 2015.

Custodial credit risk-investments-- For an investment, this is the risk that, in the event of the failure of the issuer or counter party, the Government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside part. State statutes require investments to be adequately secured.

NOTE 4 - DEFINED BENEFIT PENSION PLAN

Plan Description

The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Morris County Unified School District No. 417
Council Grove, Kansas

NOTES TO THE FINANCIAL STATEMENT
June 30, 2015

NOTE 4 - DEFINED BENEFIT PENSION PLAN (CONT)

Funding Policy

K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective January 1, 2015, KPERS has three benefit structures and funding depends on whether the employee is a Tier 1, Tier 2 or Tier 3 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Tier 3 members were first employed in a covered position on or after January 1, 2015. Kansas law establishes member-employee contribution rate at 5% of covered salary for Tier 1 members, which increased to 6% on January 1, 2015, and at 6% of covered salary for Tier 2 members. Tier 3 members are part of a new cash balance plan with a member-employee contribution rate of 6%. Member employee's contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

Net Pension Liability

The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014, the net pension liability for KPERS was \$8,291,794,910. KPERS has determined the District's proportionate share of the net pension liability is \$7,825,776 as of June 30, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at www.kpers.org or can be obtained as described in the first paragraph above.

NOTE 5 - OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Compensated Absences

U.S.D. 417's personnel earn ten days of sick leave per contract year. Any employee who completes a year with more than sixty days of accrued sick leave will be reimbursed at twenty-five dollars per day for each day in excess of sixty days. Upon separation of service, any unused sick leave is lost. Instructional personnel may take two days of personal leave per year and may accumulate up to six personal days. Provisions provide for legal leave, emergency leave, sabbatical leave, leave without pay, and professional leave. These may or may not result in a deduction in pay depending on determinations from the school board. The District also has adopted a Family Medical Leave policy.

Vacation pay is earned by twelve month employees as follows: first contract year = 5 days; second to tenth contract year = 10 days; eleventh to fifteenth contract year = 15 days; and sixteenth contract year and beyond = 20 days. No more than five vacations days may be carried over each year. A grandfather provision allows some employees a greater carryover. This carryover equals the amount of vacation time accumulated as of June 30, 1999 plus five days.

The District recognizes these benefits as paid; therefore no provision for accumulated leave has been in the financial statement. Compensated absence payments are made from the fund that corresponds to the employee duties.

Other Post Employment Benefits

The District provides an early retirement program as described in the District's negotiated agreement with certified personnel. As a measure of appreciation for their services, the district offers an early retirement cash benefit. This benefit is based on the retiree's salary at the time of retirement times the combined factors of age, years of experience in USD 417, and column placement on the salary schedule. The age factor provides a 5-15% benefit; the years in the district factor add between 4-15%; and the column placement factor results in a 1-5% benefit. Employees must submit a written request to the USD 417 Board of Education prior to April 1 preceding the anticipated retirement date. To correspond with KPERS retirement dates, teachers may elect June 1, July 1, August 1 or September 1 as the retirement date. The cash benefit is paid on the retirement date into an employer sponsored 403(b) account.

Morris County Unified School District No. 417
Council Grove, Kansas

NOTES TO THE FINANCIAL STATEMENT

June 30, 2015

NOTE 5 - OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONT)

Other Post Employment Benefits (cont)

The district also provides health insurance to early retirees. Those eligible include retirees less than age 60 with 10 years of continuous employment in the district and KPERS qualified 85 points for retirement. The monthly contribution amount is limited to the amount contributed to a currently employed certified teacher for membership in the district health plan. The maximum benefit is for three years. Retirees between the ages of 60 and 64 with 5 years of continuous employment in the district receive a monthly contribution amount equal to the amount contributed to a currently employed certified teacher for membership in the district health plan until the retiree reaches age 65.

The District finances these benefits on a pay-as-you-go basis. These expenditures have been included as part of the General Fund. An estimate has not been made of the total amount of post employment benefit liability of the District or reported in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the district under this program.

Section 125 Benefit Plan

U.S.D. 417 maintains an Internal Revenue Code Section 125 cafeteria plan. The amount of salary to be reduced shall not exceed the sum authorized by the Internal Revenue Code. Employees may select any combination of health insurance, salary protection insurance, cancer insurance, unreimbursed medical expenses, and daycare expenses as nontaxable fringe benefits

U.S.D. 417 contributes an amount equal to the annual premium of a single health insurance plan for certified instructional personnel. For all other employees, the benefit is prorated. For those employed prior to the 1993-94 school year, a cash option was available, allowing employees to receive the health benefit in cash less applicable withholding taxes and U.S.D. 417's obligation for social security, medicare, and unemployment. Current employees who drop their participation in the health plan will not be eligible for the cash option.

NOTE 6 - TRANSFERS

Transfers between budgetary funds are for the purpose of shifting resources from the fund legally required to receive the revenue to the fund authorized to expend the revenues. Operating transfers during the fiscal year ended June 30, 2015 consisted of the following:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Special Education	72-6428	\$614,344
General	At Risk K-12	72-6428	616,751
General	At Risk 4 yr old	72-6428	18,840
General	Bilingual Education	72-6428	17,000
General	Textbook & Student Materials	72-6428	1,602
Supplemental General	Special Education	72-6433	205,000
Supplemental General	Vocational Education	72-6433	169,840
Supplemental General	At Risk 4 yr old	72-6433	44,153
Supplemental General	Extraordinary School	72-6433	6,456
Supplemental General	Bilingual Education	72-6433	10,000
Summer School	General Fund	72-6460	18,840

Morris County Unified School District No. 417
Council Grove, Kansas

NOTES TO THE FINANCIAL STATEMENT
June 30, 2015

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destructions of assets; errors and omissions, injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Insurance claims have not exceeded commercial coverage for the past three years. There were no significant reductions in insurance coverage from coverage in prior years.

NOTE 8- LONG-TERM DEBT

General Obligation Bonds

On October 9, 2009, \$500,000 of General Obligation Bonds Series 2008-A were sold at an interest rate of 2.75% and maturity date of April 1, 2009. On November 12, 2009, \$8,760,000 of General Obligation Bonds Series 2008-B were sold at interest rates of 4.65% to 6% for a net interest cost of 4.90% over the life of the bonds. The Series 2008-A bond principal of \$500,000 and interest of \$1,833 were paid off with proceeds of the Series 2008-B Bonds. The remainder of the bond proceeds was used to make improvements to the existing Council Grove High School, to pay interest on the bonds during construction, and to pay for the cost of issuance of the bonds. The first interest payment for the Series 2008-B was made on March 1, 2009. The payments are made from the Bond & Interest Fund.

On May 1, 2013, the District issued \$4,085,000 of General Obligation Bonds Series 2013 at interest rates of 2.25% to 2.45%, for the purpose of advance refunding a portion of the above Series 2008-B General Obligation Bonds still outstanding. The net proceeds of the bonds of \$4,077,209 (net of reoffering premiums and underwriter discounts), along \$970,000 from the District's Redemption Fund were sent to the escrow agent, Security Bank of Kansas City. Of the \$5,047,209 sent to the escrow agent, \$4,994,244 was placed in an irrevocable escrow trust fund, assigned solely for the purpose of payment of principal on the refunded bonds and interest on the new issue through September 1, 2018. Additionally, \$49,465 was used for cost of issuance fees and \$3,500 was deposited into a compliance account. The advance refunded bonds in the amount of \$4,675,000 are considered to be defeased and are not disclosed as debt of the USD 417, other than interest payments the District will continue to make, nor is the trust considered to be an investment of the District. This refunding decreased total debt service payments by \$666,052, resulting in an economic gain (the difference between the present value of the debt service payments on the new and old debt) of \$308,511.

Capital Leases Payable

One July 17, 2015, the District entered into a capital lease agreement with Farmers & Drovers Bank in the amount of \$220,000 at an interest rate of 3.5%, for the purchase of equipment and costs of remodeling the high school and elementary school buildings. The District made an initial payment on July 17, 2015 of \$26,164.65. Seven more payments of \$26,164.65 are scheduled with a final payment of \$26,262.95 to be made on July 9, 2019 and an option to purchase on January 9, 2020 for \$100. The lease terminates in any budgeted year in which insufficient appropriated funds exist to meet the lease obligation, and the District must surrender possession of the equipment to the lessor.

Morris County Unified School District No. 417
Council Grove, Kansas

NOTES TO THE FINANCIAL STATEMENT
June 30, 2015

NOTE 8- LONG-TERM DEBT (CONT)

Changes in long-term liabilities for the District for the year ended June 30, 2015, were as follows:

Issue	Rates	Issue	of Issue	Maturity	of Year	Additions	Payments	Change	of Year	Paid
General Obligation Bonds:										
Series:										
2013	2.25-2.45%	5/1/13	4,085,000	9/1/28	\$ 4,085,000		\$ 0	\$ 0	\$ 4,085,000	\$ 0
2008-B	4.65-6%	11/12/09	8,760,000	9/1/22	3,385,000	0	220,000	0	3,165,000	400,668
Total long-term debt					\$ 7,470,000	\$ 0	\$ 220,000	\$ 0	\$ 7,250,000	\$ 400,668

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021-2025</u>	<u>2026-2030</u>	<u>Total</u>
PRINCIPAL								
2013 series	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,170,000	\$ 2,915,000	\$ 4,085,000
2008 series	250,000	285,000	325,000	365,000	415,000	1,525,000	0	3,165,000
Capital Lease	48,937	46,747	48,398	50,107	25,811	0	0	220,000
Total Principal	298,937	331,747	373,398	415,107	440,811	2,695,000	2,915,000	7,470,000
INTEREST								
2013 series	0	0	0	47,577	95,154	450,006	145,576	738,313
2008 series	387,742	373,030	355,443	220,366	84,665	114,475	0	1,535,721
Capital Lease	3,392	5,582	3,931	2,223	452	0	0	15,580
	391,134	378,612	359,374	270,166	180,271	564,481	145,576	2,289,614
Total Principal and Interest	\$ 690,071	\$ 710,359	\$ 732,772	\$ 685,273	\$ 621,082	\$ 3,259,481	\$ 3,060,576	\$ 9,759,614

NOTE 9- IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$348,651 subsequent to June 30, 2015 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2015.

NOTE 10 – CONTINGENCIES

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

The property valuation methodology used in valuing the Council Grove City Lake property has been appealed to the Board of Tax Appeals. The outcome of this appeal is unknown, however an unfavorable decision could have a material impact on the District.

REGULATORY-REQUIRED

SUPPLEMENTARY INFORMATION

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 1

Summary of Expenditures – Actual and Budget
Regulatory Basis
(Budgeted Funds Only)
For the Fiscal Year Ended June 30, 2015

Governmental Type Funds	Certified Budget	Adjustment to Comply With Legal Max.	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Fund	\$ 5,206,328	\$ (85,899)	\$ 82,300	\$ 5,202,729	\$ 5,202,729	\$ 0
Supplemental General - L.O.B.	1,796,351	(14,279)		1,782,072	1,782,072	0
Special Purpose Funds						
At Risk Four Year Old	85,440			85,440	64,463	(20,977)
At Risk (K-12)	632,449			632,449	616,752	(15,697)
Bilingual Education	54,086			54,086	27,188	(26,898)
Vocational Education	250,821			250,821	173,991	(76,830)
Special Education	1,235,090			1,235,090	819,377	(415,713)
Food Service	650,737			650,737	412,241	(238,496)
Driver Training	36,231			36,231	8,824	(27,407)
Capital Outlay	1,118,301			1,118,301	265,538	(852,763)
Summer School	18,840			18,840	18,840	0
Professional Development	112,947			112,947	6,755	(106,192)
Extraordinary School Program	58,884			58,884	22,840	(36,044)
KPERS Retirement	561,285			561,285	439,493	(121,792)
Gifts and Grants	99,918			99,918	88,942	(10,976)
Bond & Interest Fund						
Bond & Interest	620,668			620,668	620,668	0

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-A

Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Local Sources				
County Taxes	\$ 1,035,663	\$ 2,048	\$ 2,300	\$ (252)
Reimbursements	117,152	82,300	0	82,300
State Sources				
General State Aid & Local 20-Mill Levy	3,580,155	4,509,489	4,549,927	(40,438)
Special Education Aid	611,570	582,344	627,554	(45,210)
Transfer from Summer School	0	18,840	18,840	0
Total Receipts	<u>5,344,540</u>	<u>5,195,021</u>	<u>5,198,621</u>	<u>(3,600)</u>
Expenditures				
Instruction	2,630,206	2,417,702	2,397,449	20,253
Student Support Services	139,052	135,160	151,804	(16,644)
Instruction Support Staff	118,626	153,863	122,584	31,279
General Administration	203,181	269,981	264,381	5,600
School Administration	604,633	555,273	531,623	23,650
Operations and Maintenance	86,518	0	0	0
Student Transportation Services	277,625	352,433	246,146	106,287
Other Supplemental Service	69,437	49,780	52,433	(2,653)
Fund Transfers				
Bilingual Education	55,540	17,000	31,745	(14,745)
Special Education	670,320	614,344	632,572	(18,228)
Professional Development	14,000	0	0	0
Textbook & Student Materials	0	1,602	100,000	(98,398)
Food Service	50,400	0	40,000	(40,000)
At Risk (4 yr old)	0	18,840	18,840	0
At Risk (K-12)	417,294	616,751	616,751	0
Adjustment to Comply with Legal Max	0	0	(85,899)	85,899
Legal Maximum General Fund Budget	<u>5,336,832</u>	<u>5,202,729</u>	<u>5,120,429</u>	<u>82,300</u>
Adjustment for Qualifying Budget Credits	0	0	82,300	(82,300)
Total Expenditures & Transfers	<u>5,336,832</u>	<u>5,202,729</u>	<u>\$ 5,202,729</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	7,708	(7,708)		
Unencumbered Cash, July 1	0	7,708		
Unencumbered Cash, June 30	<u>\$ 7,708</u>	<u>\$ 0</u>		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-B

Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

SUPPLEMENTAL GENERAL – LOCAL OPTION BUDGET

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Receipts				
Local Sources				
County Taxes	\$ 1,420,245	\$ 1,238,981	\$ 1,112,063	\$ 126,918
Reimbursements	0	0	0	0
State Sources				
Supplemental State Aid	399,215	445,989	548,246	(102,257)
Total Receipts	1,819,460	1,684,970	1,660,309	24,661
Expenditures				
Instruction	405,137	322,007	382,404	(60,397)
Student Support Services	7,401	6,622	4,850	1,772
Instructional Support	14,673	6,275	11,850	(5,575)
General Administration	91,631	64,908	64,300	608
School Administration	17,373	19,340	20,377	(1,037)
Operations & Maintenance	633,719	774,167	679,441	94,726
Student Transportation	216,228	153,304	109,488	43,816
Other Supplemental Service	263	0	500	(500)
Fund Transfers				0
Extraordinary School Program	0	6,456	15,543	(9,087)
Vocational Education	168,000	169,840	171,594	(1,754)
At Risk 4 yr old	39,000	44,153	44,153	0
At Risk K-12	96,908	0	0	0
Textbooks & Materials	0	0	19,840	(19,840)
Bilingual Education	0	10,000	10,000	0
Special Education	108,250	205,000	262,011	(57,011)
Adjustment to Comply with Legal Max	0	0	(14,279)	14,279
Total Expenditures	1,798,583	1,782,072	\$ 1,782,072	\$ 0
Receipts Over (Under) Expenditures	20,877	(97,102)		
Unencumbered Cash, July 1	115,165	136,042		
Unencumbered Cash, June 30	\$ 136,042	\$ 38,940		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-C

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

AT RISK FOUR YEAR OLD

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Transfer from General	\$ 0	\$ 18,840	\$ 18,840	\$ 0
Transfer from Supplemental General	39,000	44,153	44,153	0
Total Receipts	<u>39,000</u>	<u>62,993</u>	<u>62,993</u>	<u>0</u>
Expenditures				
Instruction	38,216	64,463	85,440	(20,977)
Total Expenditures	<u>38,216</u>	<u>64,463</u>	<u>\$ 85,440</u>	<u>\$ (20,977)</u>
Receipts Over (Under) Expenditures	784	(1,470)		
Unencumbered Cash, July 1	<u>21,663</u>	<u>22,447</u>		
Unencumbered Cash, June 30	<u>\$ 22,447</u>	<u>\$ 20,977</u>		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-D

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

AT RISK (K – 12)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Transfer from General	\$ 417,294	\$ 616,751	\$ 616,751	\$ 0
Transfer from Supplemental General	96,908	0	0	0
Total Receipts	<u>514,202</u>	<u>616,751</u>	<u>616,751</u>	<u>0</u>
Expenditures				
Instruction	514,031	616,752	632,449	(15,697)
Total Expenditures	<u>514,031</u>	<u>616,752</u>	<u>\$ 632,449</u>	<u>\$ (15,697)</u>
Receipts Over (Under) Expenditures	171	(1)		
Unencumbered Cash, July 1	<u>15,527</u>	<u>15,698</u>		
Unencumbered Cash, June 30	<u>\$ 15,698</u>	<u>\$ 15,697</u>		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-E

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

BILINGUAL EDUCATION

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Transfer from General	\$ 55,540	\$ 17,000	\$ 31,745	\$ (14,745)
Transfer from Supplemental General	0	10,000	10,000	0
Total Receipts	<u>55,540</u>	<u>27,000</u>	<u>41,745</u>	<u>(14,745)</u>
Expenditures				
Instruction	52,037	27,188	54,086	(26,898)
Total Expenditures	<u>52,037</u>	<u>27,188</u>	<u>\$ 54,086</u>	<u>\$ (26,898)</u>
Receipts Over (Under) Expenditures	3,503	(188)		
Unencumbered Cash, July 1	<u>8,838</u>	<u>12,341</u>		
Unencumbered Cash, June 30	<u>\$ 12,341</u>	<u>\$ 12,153</u>		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-F

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

VOCATIONAL EDUCATION FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Transfer from General	\$ 0	\$ 0	\$ 0	\$ 0
Transfer from Supplemental General	168,000	169,840	171,594	(1,754)
Other Local Revenue	3,471	3,805	0	3,805
Other State Aid	0	5,677	22,577	(16,900)
Total Receipts	<u>171,471</u>	<u>179,322</u>	<u>194,171</u>	<u>(14,849)</u>
Expenditures				
Instruction	163,535	160,445	228,244	(67,799)
Student Transportation	0	13,546	22,577	(9,031)
Total Expenditures	<u>163,535</u>	<u>173,991</u>	<u>\$ 250,821</u>	<u>\$ (76,830)</u>
Receipts Over (Under) Expenditures	7,936	5,331		
Unencumbered Cash, July 1	<u>48,994</u>	<u>56,930</u>		
Unencumbered Cash, June 30	<u>\$ 56,930</u>	<u>\$ 62,261</u>		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-G

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

SPECIAL EDUCATION FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Transfer from General	\$ 670,320	\$ 614,344	\$ 632,572	\$ (18,228)
Transfer from Supplemental General	108,250	205,000	262,011	(57,011)
Other Local Revenues	0	0	0	0
Total Receipts	<u>778,570</u>	<u>819,344</u>	<u>894,583</u>	<u>(75,239)</u>
Expenditures				
Instruction	761,312	774,214	1,166,568	(392,354)
Student Transportation	42,348	45,163	68,522	(23,359)
Total Expenditures	<u>803,660</u>	<u>819,377</u>	<u>\$ 1,235,090</u>	<u>\$ (415,713)</u>
Receipts Over (Under) Expenditures	(25,090)	(33)		
Unencumbered Cash, July 1	<u>365,597</u>	<u>340,507</u>		
Unencumbered Cash, June 30	<u>\$ 340,507</u>	<u>\$ 340,474</u>		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-H

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

FOOD SERVICE FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Intergovernmental Receipts				
Federal Aid	\$ 210,851	\$ 221,079	\$ 279,866	\$ (58,787)
State Aid	4,216	4,272	3,584	688
Food Service				
Meals	180,489	172,270	203,731	(31,461)
Miscellaneous	1,197	487	0	487
Transfer from General	50,400	0	40,000	(40,000)
Transfer from Supplemental General	0	0	0	0
Total Receipts	<u>447,153</u>	<u>398,108</u>	<u>527,181</u>	<u>(129,073)</u>
Expenditures				
Operations & Maintenance	1,307	198	4,500	(4,302)
Food Service Operation	<u>432,053</u>	<u>412,043</u>	<u>646,237</u>	<u>(234,194)</u>
Total Expenditures	<u>433,360</u>	<u>412,241</u>	<u>\$ 650,737</u>	<u>\$ (238,496)</u>
Receipts Over (Under) Expenditures	13,793	(14,133)		
Unencumbered Cash, July 1	<u>109,853</u>	<u>123,646</u>		
Unencumbered Cash, June 30	<u>\$ 123,646</u>	<u>\$ 109,513</u>		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-I

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

DRIVER TRAINING FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State Driver Training	\$ 2,890	\$ 3,069	\$ 2,550	\$ 519
Payments from Individuals	6,700	6,468	6,850	(382)
Transfer from General	0	0	0	0
Transfer from Supplemental General	0	0	0	0
Total Receipts	<u>9,590</u>	<u>9,537</u>	<u>9,400</u>	<u>137</u>
Expenditures				
Instruction	8,257	8,093	10,533	(2,440)
Vehicle Operations & Maintenance	12,190	731	25,698	(24,967)
Total Expenditures	<u>20,447</u>	<u>8,824</u>	<u>\$ 36,231</u>	<u>\$ (27,407)</u>
Receipts Over (Under) Expenditures	(10,857)	713		
Unencumbered Cash, July 1	37,743	27,332		
Prior Year Cancelled Encumbrances	446	0		
Unencumbered Cash, June 30	<u>\$ 27,332</u>	<u>\$ 28,045</u>		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-J

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

CAPITAL OUTLAY

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
County Taxes	\$ 240,165	\$ 357,537	\$ 329,119	\$ 28,418
Interest on Idle Funds	11,156	9,372	9,791	(419)
Other Local Revenues	95,026	79,839	65,000	14,839
State Aid	0	18,879	34,052	(15,173)
Transfer from General Fund	0	0	0	0
Total Receipts	<u>346,347</u>	<u>465,627</u>	<u>437,962</u>	<u>27,665</u>
Expenditures				
Property & Equipment	63,397	17,543	410,811	(393,268)
Building Improvements	151,179	230,847	350,000	(119,153)
Architect & Engineering	16,067	17,148	25,000	(7,852)
Site Improvements	78,189	0	332,490	(332,490)
Total Expenditures	<u>308,832</u>	<u>265,538</u>	<u>\$ 1,118,301</u>	<u>\$ (852,763)</u>
Receipts Over (Under) Expenditures	37,515	200,089		
Unencumbered Cash, July 1	602,595	640,393		
Prior Year Cancelled Encumbrances	283	4,078		
Unencumbered Cash, June 30	<u>\$ 640,393</u>	<u>\$ 844,560</u>		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-K

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

SUMMER SCHOOL

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Fees	\$ 0	\$ 0	\$ 0	\$ 0
Transfer from Supplemental General	0	0	0	0
Total Receipts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction	0	0		0
Transfer to General Fund	0	18,840	18,840	0
Total Expenditures	<u>0</u>	<u>18,840</u>	<u>\$ 18,840</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	(18,840)		
Unencumbered Cash, July 1	<u>18,840</u>	<u>18,840</u>		
Unencumbered Cash, June 30	<u>\$ 18,840</u>	<u>\$ 0</u>		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-L

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

PROFESSIONAL DEVELOPMENT

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State Inservice Aid	\$ 0	\$ 0	\$ 0	\$ 0
Miscellaneous Reimbursement	15	15	0	15
Transfer from General	14,000	0	0	0
Transfer from Supplemental General	0	0	0	0
Total Receipts	<u>14,015</u>	<u>15</u>	<u>0</u>	<u>15</u>
Expenditures				
Instruction	7,375	6,755	112,947	(106,192)
Other Supplemental Services	0	0	0	0
Total Expenditures	<u>7,375</u>	<u>6,755</u>	<u>\$ 112,947</u>	<u>\$ (106,192)</u>
Receipts Over (Under) Expenditures	6,640	(6,740)		
Unencumbered Cash, July 1	106,829	113,538		
Prior Year Cancelled Encumbrances	69	0		
Unencumbered Cash, June 30	<u>\$ 113,538</u>	<u>\$ 106,798</u>		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-M

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

EXTRAORDINARY SCHOOL PROGRAM

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Enrollment Fees	\$ 14,582	\$ 17,011	\$ 14,500	\$ 2,511
Grants & Donations	5,378	750	2,500	(1,750)
Transfer from General	0	6,456	15,543	(9,087)
Total Receipts	<u>19,960</u>	<u>24,217</u>	<u>32,543</u>	<u>(8,326)</u>
Expenditures				
Instruction	<u>24,487</u>	<u>22,840</u>	<u>58,884</u>	<u>(36,044)</u>
Total Expenditures	<u>24,487</u>	<u>22,840</u>	<u>\$ 58,884</u>	<u>\$ (36,044)</u>
Receipts Over (Under) Expenditures	(4,527)	1,377		
Unencumbered Cash, July 1	<u>34,646</u>	<u>30,119</u>		
Unencumbered Cash, June 30	<u>\$ 30,119</u>	<u>\$ 31,496</u>		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-N

Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

KPERS RETIREMENT

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State of Kansas KPERS	\$ 488,074	\$ 439,493	\$ 561,285	\$ (121,792)
Total Receipts	<u>488,074</u>	<u>439,493</u>	<u>561,285</u>	<u>(121,792)</u>
Expenditures				
KPERS Retirement Contribution	488,074	439,493	561,285	(121,792)
Total Expenditures	<u>488,074</u>	<u>439,493</u>	<u>\$ 561,285</u>	<u>\$ (121,792)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-O

Schedule of Receipts and Expenditures – Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

GIFTS AND GRANTS

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Contributions & Donations	\$ 11,393	\$ 188,385	\$ 95,000	\$ 93,385
Total Receipts	<u>11,393</u>	<u>188,385</u>	<u>95,000</u>	<u>93,385</u>
Expenditures				
Purchased Prof & Tech Services	17,961	75,195	11,918	63,277
Other Purchases Services	1,050	3,195	0	3,195
Supplies	6,856	10,217	3,000	7,217
Other	<u>275</u>	<u>335</u>	<u>85,000</u>	<u>(84,665)</u>
Total Expenditures	<u>26,142</u>	<u>88,942</u>	<u>\$ 99,918</u>	<u>\$ (10,976)</u>
Receipts Over (Under) Expenditures	(14,749)	99,443		
Unencumbered Cash, July 1	<u>21,667</u>	<u>6,918</u>		
Unencumbered Cash, June 30	<u>\$ 6,918</u>	<u>\$ 106,361</u>		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-P

Schedule of Receipts and Expenditures
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

TEXTBOOK RENTAL FUND

	Prior Year Actual	Current Year Actual
Receipts		
Student Receipts	\$ 20,397	\$ 28,404
Transfer from General	0	1,602
Transfer from Supp General	0	0
Total Receipts	<u>20,397</u>	<u>30,006</u>
Expenditures		
Textbooks & Materials	33,897	28,352
Other	0	0
Total Expenditures	<u>33,897</u>	<u>28,352</u>
Receipts Over (Under) Expenditures	(13,500)	1,654
Unencumbered Cash, July 1	121,973	108,627
Prior Year Cancelled Encumbrances	154	0
Unencumbered Cash, June 30	<u>\$ 108,627</u>	<u>\$ 110,281</u>

CONTINGENCY RESERVE

	Prior Year Actual	Current Year Actual
Receipts		
Transfer from General	\$ 0	\$ 0
Total Receipts	<u>0</u>	<u>0</u>
Expenditures		
Other	0	0
Total Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, July 1	330,285	330,285
Unencumbered Cash, June 30	<u>\$ 330,285</u>	<u>\$ 330,285</u>

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-Q

Schedule of Receipts and Expenditures
Regulatory Basis
For the Fiscal Year Ended June 30, 2015

FEDERAL GRANTS

	Title I	Title II A Teacher Quality	Rural Education
Receipts			
Intergovernmental	\$ 128,250	\$ 35,849	\$ 0
Other	<u>0</u>	<u>0</u>	<u>0</u>
Total Receipts	<u>128,250</u>	<u>35,849</u>	<u>0</u>
Expenditures			
Instruction	<u>128,250</u>	<u>35,849</u>	<u>0</u>
Total Expenditures	<u>128,250</u>	<u>35,849</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0	0
Unencumbered Cash, July 1	0	0	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-R

Schedule of Receipts and Expenditures
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

REDEMPTION FUND

	Prior Year Actual	Current Year Actual
Receipts		
Investment Income	\$ 894	\$ 1,483
Reimbursements	8,560	0
Total Receipts	<u>9,454</u>	<u>1,483</u>
Expenditures		
Project Costs	0	0
Advanced Refunding Payment & Bond Fees	0	0
Transfer to Bond & Interest Fund	0	0
Total Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	9,454	1,483
Unencumbered Cash, July 1	<u>916,994</u>	<u>926,448</u>
Unencumbered Cash, June 30	<u>\$ 926,448</u>	<u>\$ 927,931</u>

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-S

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

BOND AND INTEREST FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
County Taxes	\$ 538,148	\$ 583,543	\$ 536,106	\$ 47,437
Intergovernmental				
State Aid	66,779	40,066	62,067	(22,001)
Transfer from Redemption Fund	0	0	0	0
Transfer from Improvement Fund	0	0	0	0
Total Receipts	<u>604,927</u>	<u>623,609</u>	<u>598,173</u>	<u>25,436</u>
Expenditures				
Principal	195,000	220,000	220,000	0
Interest	412,080	400,668	400,668	0
Commission & Postage	0	0	0	0
Total Expenditures	<u>607,080</u>	<u>620,668</u>	<u>\$ 620,668</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(2,153)	2,941		
Unencumbered Cash, July 1	<u>495,137</u>	<u>492,984</u>		
Unencumbered Cash, June 30	<u>\$ 492,984</u>	<u>\$ 495,925</u>		

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-T

Schedule of Receipts and Expenditures
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

SCHOOL IMPROVEMENT FUND

	Prior Year Actual	Current Year Actual
Receipts		
Bond Proceeds	\$ 0	\$ 0
Investment Income	0	0
Total Receipts	<u>0</u>	<u>0</u>
Expenditures		
Project Expense	0	0
Transfer to Bond & Interest Fund	0	0
Transfer to Redemption Fund	0	0
Total Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, July 1	<u>418</u>	<u>418</u>
Unencumbered Cash, June 30	<u>\$ 418</u>	<u>\$ 418</u>

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 2-U

Schedule of Receipts and Expenditures
Regulatory Basis
For the Fiscal Year Ended June 30, 2015
(With Comparative Actual Totals for the Prior Year Ended June 30, 2014)

PRIVATE PURPOSE TRUST FUNDS

	Prior Year Actual	Current Year Actual
Receipts		
Donations & Memorials	\$ 4,948	\$ 403
Expenditures		
Student Activities	<u>4,882</u>	<u>3,350</u>
Receipts Over (Under) Expenditures	66	(2,947)
Unencumbered Cash, July 1	<u>13,350</u>	<u>13,416</u>
Unencumbered Cash, June 30	<u>\$ 13,416</u>	<u>\$ 10,469</u>

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 3

Summary of Receipts and Disbursements
Regulatory Basis
For the Fiscal Year Ended June 30, 2015

AGENCY FUNDS

	Cash Balance 7/1/2014	Receipts	Disbursements	Cash Balance 6/30/2015
Student Organization Accounts				
Council Grove Elementary/Middle School				
Pep Club	\$ 91	\$ 0	\$ 0	\$ 91
Student Council	296	572	709	159
8th Grade	0	1,789	1,789	0
7th Grade	0	0	0	0
K-6th Grade	0	1,252	1,252	0
Band	609	487	710	386
Honor Choir	50	1,244	1,242	52
Cheerleaders	196	4,016	3,951	261
P.T.O. Student Assistance	3,971	7,478	7,622	3,827
Council Grove High School				
Seniors	1,228	2,141	1,147	2,222
Juniors	610	4,656	4,719	547
Sophomores	334	265	249	350
Freshman	0	387	305	82
Band	266	907	1,084	89
F.F.A.	4,412	29,582	20,609	13,385
F.C.A.	823	250	295	778
Keys	1,438	1,364	1,184	1,618
C.G. Club	368	116	176	308
F.B.L.A.	858	12,445	10,945	2,358
F.C.C.L.A.	4	12,944	11,618	1,330
F.A.C.S.	5	85	90	0
Garden Growers Club	612	1,058	1,315	355
Art Club	490	323	260	553
World Language Club	554	3,171	3,385	340
Student Senate	429	8,753	9,180	2
Key Club	990	1,559	946	1,603
Technology Club	102	0	0	102
Robotics	399	1,071	673	797
Yearbook (Annual)	4,787	10,271	9,762	5,296
Trail Blazer	227	21	0	248
Cheerleaders	2,333	11,695	13,175	853
National Honor Society	51	27	0	78
Bravettes	1,886	7,249	6,135	3,000
Prairie Production	151	45	0	196
Scholars Bowl	1,424	461	1,495	390
Brave Voices	867	4,659	5,343	183
Library	85	0	85	0
CG Players	1,432	1,647	695	2,384
Total Forward	\$ 32,378	\$ 133,990	\$ 122,145	\$ 44,223

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 3 (Cont.)

Summary of Receipts and Disbursements
Regulatory Basis
For the Fiscal Year Ended June 30, 2015

AGENCY FUNDS

	Cash Balance 7/1/2014	Receipts	Disbursements	Cash Balance 6/30/2015
Total Brought Forward	\$ 32,378	\$ 133,990	\$ 122,145	\$ 44,223
Prairie Heights Elementary				
Student Council	1,654	89	1,743	0
Classes	0	68	68	0
Prairie Heights Middle School				
Pep Club	350	3	0	353
8th Grade	2,261	342	459	2,144
7th Grade	(4)	0	0	(4)
1 - 6th Grade	126	1,441	1,572	(5)
Band	1,012	59	121	950
Student Council	1,956	4,084	2,179	3,861
Total Student Organization Funds	<u>\$ 39,733</u>	<u>\$ 140,076</u>	<u>\$ 128,287</u>	<u>\$ 51,522</u>
Clearing Funds				
Council Grove Elementary/Middle School	\$ 20	\$ 26	\$ 0	\$ 46
Council Grove High School	0	4,919	4,664	255
Prairie Heights Elementary School	51	45	96	0
Prairie Heights Middle School	<u>0</u>	<u>122</u>	<u>122</u>	<u>0</u>
Total Clearing Funds	<u>\$ 71</u>	<u>\$ 5,112</u>	<u>\$ 4,882</u>	<u>\$ 301</u>
Total Agency Funds	<u>\$ 39,804</u>	<u>\$ 145,188</u>	<u>\$ 133,169</u>	<u>\$ 51,823</u>

See Accompanying Auditors' Report.

Morris County Unified School District No. 417
Council Grove, Kansas

Schedule 4

Schedule of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Fiscal Year Ended June 30, 2015

DISTRICT ACTIVITY FUNDS

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts						
CGMS Student Athletics	\$ 12,262	\$ 19,020	\$ 16,702	\$ 14,580	\$ 0	\$ 14,580
CGHS Student Athletics	14,338	95,820	96,946	13,212	0	13,212
PHMS Student Athletics	5,626	1,295	1,104	5,817	0	5,817
Total Gate Receipts	<u>32,226</u>	<u>116,135</u>	<u>114,752</u>	<u>33,609</u>	<u>0</u>	<u>33,609</u>
School Projects						
Council Grove High School						
Vo-Ag	878	325	1,203	0	0	0
Art	2,734	702	3,436	0	0	0
Total School Projects	<u>3,612</u>	<u>1,027</u>	<u>4,639</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total District Activity Funds	<u>\$ 35,838</u>	<u>\$ 117,162</u>	<u>\$ 119,391</u>	<u>\$ 33,609</u>	<u>\$ 0</u>	<u>\$ 33,609</u>

See Accompanying Auditors' Report.